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MSME DEPARTMENT

NOTIFICATION

The 4th June 2015

No. 4128—I-MSME-(FPP-2013) 08/2015/MSME.—This has reference to this Department Notification No. 1375, dated the 15th March, 2013 on Odisha Food Processing Policy, 2013 and its operational guidelines and amendments to the operational guidelines vide Notification No. 732—III-MSME-60/2013, dated the 6th February, 2014. The following subsequent amendments to the operational guidelines are issued in Clause No.6, Clause No.9.1.4.1, Clause No.8.1, Clause No.8.5, Clause No.9.1.3, Clause No.9.1.3.2, Clause No. 8.7.1, Clause No. 8.7.2, Clause No. 8.7.3, Clause No. 8.7.4, Clause No.8.7.5, Clause No.8.7.6 and Clause No.8.7.7, for the purpose of smooth implementation of Odisha Food Processing Policy, 2013.

1. In Clause No. 6 on “Eligibility for Incentives” sub-clause on CIS :

The existing clause shall be replaced with the following :—

“New enterprise as defined at Clause 6.1, 6.2, 6.3, 6.4, and 6.5 as well as existing Enterprises having undertaken expansion or, diversification as defined in the Odisha Food Processing Policy, 2013 where fixed capital investment has commenced on or after the date of notification of Odisha Food Processing Policy, 2013 and started commercial production within two years for MSMEs and three years for large Enterprises from the date of starting first Fixed Capital Investment shall be entitled to capital investment subsidy”.

Also, those Food Processing Units which have commenced Fixed Capital Investment but not gone into commercial production before the effective date of the policy will have the option to be treated as new enterprises under the policy provided that it goes into commercial production within 2 years for MSMEs and 3 years for large industries from the effective date of the policy, and on exercising such options, the new units shall be eligible for CIS under this policy.

2. In Clause No. 9.1.4.1—Assessment of Project Cost :

The following shall be added at the beginning of the sentence of Clause 9.1.4.1 :—

“Project cost means fixed capital investment incurred towards Plant and machinery and civil works required for production purpose only”.

3. In Clause No. 8.1 Procedure—Application form to be submitted :

Changes shall be made from “MSME Department” to “Concerned G.M./RIC/DIC” as the destination for submission of Applications for CIS to Enterprises (Clause 9.2 and Clause 9.8.4), CIS to SPV of Mega Food Parks (Clause 9.8.1) and DPR Reimbursement (Clause 9.8.2).

4. In Clause No. 8.5—Determination of date of commercial production :

The following sentence shall be changed from:—

“The start date of commercial production for availing of incentives shall be date of manufacture of products for up to 10% of installed capacity” To

“The start date of commercial production for availing of incentives shall be date of manufacture of products as mentioned in EM Part II as verified by G.M./P.M./RIC/DIC on the basis of documentary evidence”.

5. In Clause No. 9.1.3—Approval of projects up to Rs. 25 lakh :

The following clause shall be added “For capital investment subsidy up to Rs. 25 lakh, the proposals shall be received by concerned G.M., RIC/DIC.

They would recommend the CIS proposals with inspection report to the Director of Industries (as para 8.11 of guidelines). A separate Sub-Committee of the State Level Committee shall be constituted/notified with D.I., Odisha as Chairman with following members :—

- (i) Concerned G.M., RIC/DIC
- (ii) General Manager-*cum*-Convenor, SLBC, UCO Bank
- (iii) Chief Accounts Officer
- (iv) M.D., OSFC or his representative
- (v) Joint Director of Industries/In charge of Food Processing Cell—Member-Convenor

The Sub-Committee will in turn recommend the proposals to MSME Department for final approval. The subsidy will be released through Director of Industries and the G.M., RIC/DIC as per para 8.7 of the guidelines to the financing banks of the MSMEs in case of financed units and to the MSMEs directly by the G.M., RIC/DIC in case of self-financed unit as per CIS operational guidelines of IPR-2007/MSMED Policy, 2009”.

6. In Clause No. 9.1.3.2—Guidelines for Capital Investment Subsidy amount of more than Rs. 25.00 lakh upto Rs. 15.00 crore :

The following clause shall be substituted “For capital investment subsidy amount of more than Rs. 25 lakh up to Rs. 15 crore a Committee constituting of following members shall provide approvals for capital investment subsidy. The Committee shall also determine the quantum of subsidy admissible to enterprise”.

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|---|---------------------|
| * Secretary , MSME | .. Chairman |
| * Representative of or Secretary to Government of Odisha, Finance Department would be | .. Member |
| * Director of Industries | .. Member-Secretary |
| * G. M., RIC/DIC where the facility to be located | .. Member |

7. Checklist of additional documents required for CIS in the guidelines :

Chartered Engineer at Sl. No.8 of Annexure-B—Checklist for “Additional documents for capital investment subsidy” shall be substituted by “Chartered Engineer (Civil and Mechanical)”.

Definition of competent authority at Sl. No. 8 of Annexure-B—Checklist for ‘Additional documents for Capital Intensive Subsidy’ after the word competent authority, “the Competent Authority shall be concerned G.M., RIC/DIC and the cost of Plant and M/c shall be computed based upon the physical verification and tax paid bills of the P &M” shall be inserted in the bracket.

8. Modalities of sanction/Disbursement of CIS —8.7., 8.7.3., 8.7.5., 8.7.6—

The Clause 8.7 shall be replaced with the following line:—

“The CIS for enterprises or for SPV or Mega Food Park/Sea Food Park/Food Park shall be approved by the State Level Committee on OFPP. It shall further be sanctioned by the Director of Industries.

The amount shall be released through the G.M., RIC/DIC to the term loan account of the financing bank of the beneficiary or to the beneficiaries account if no term loan has been availed by the applicant”.

The modality shall be followed in disbursement of the following :—

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|-------|----|-----------------------|
| 8.7.1 | .. | Rebate on land |
| 8.7.2 | .. | Interest subsidy |
| 8.7.3 | .. | Quality certification |
| 8.7.4 | .. | VAT reimbursement |

The Clause No. 8.7.3, 8.7.5 and 8.7.6 shall be deleted and Clause No. 8.7.4 shall be re-numbered as 8.7.3. Clause No. 8.7.7 shall be re-numbered as 8.7.4.

Clause No. 9.6.1. :—”Air Freight Subsidy” and Clause No. 9.6.2—

“Trade Fair/Exhibition Cost” at para. 7—Time frame for filing application shall be deleted.

“Air Freight Subsidy (Clause No. 9.6.1)” and “Trade Fair/Exhibition Cost (Clause No. 9.6.2)” at para. 8,1 under 8—Procedure shall be deleted.

Clause No. 9.5.—Trade fair/exhibition cost (Clause 9.6.2) including Clause 9.5.1., 9.5.1.1., 9.5.1.2 and 9.5.1.3 shall be deleted.

Sl. No.6—Air Freight Subsidy and Sl. No.7—Trade Fair/Exhibition at Annexure-A—Application for incentives shall be deleted. Sl. No. 8,9,10,11 and 12 at Annexure -A shall be re-numbered as 6,7,8,9 and 10 respectively.

Table seeking information on “Air Freight Subsidy and Trade Fair/Exhibition” placed after the table on “Additional information for Quality Certification (Clause 9.5)” at Annexure-A—Application for incentives shall be deleted.

Table seeking documents on “Additional documents for Air Freight Subsidy (Clause 9.6.1) and Additional documents for Trade Fair and Exhibition Cost (Clause 9.6.2)” placed after “Additional documents for Quality Certification (Clause 9.5)” at Annexure-B—Checklist in operational guidelines shall be deleted.

The words “rebate in power tariff” appearing at Clause No. 9.3.2 shall be deleted.

This has been concurred in by Finance Department and Law Department vide their UoR No. 47-ES-II, dated the 19th March 2015 and UoR No. 657-L., dated the 8th April 2015 respectively.

ORDER—Ordered that the Notification be published in an extraordinary issue of the *Odisha Gazette* and copy thereof be forwarded to all Departments of Government/all Heads of Department/ Accountant-General (A. & E.), Odisha/all RDCs/all Collectors.

By order of the Governor
F. M. NAYAK
Additional Secretary to Government